



Implenia

**A LEADING
MULTINATIONAL
INTEGRATED
CONSTRUCTION
AND REAL ESTATE
SERVICES
PROVIDER**

Investor Presentation

March / April 2023



DISCLAIMER

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

IMPLENIA CREATES AND BUILDS WITH AND FOR PEOPLE



3,563 mn

CHF, 2022 revenue

138.9 mn

CHF, 2022 EBIT

~120 mn

CHF, 2023 EBIT guidance



7,221 mn

CHF, 2022 order book

4 Divisions



Real Estate



Buildings



**Civil
Engineering**



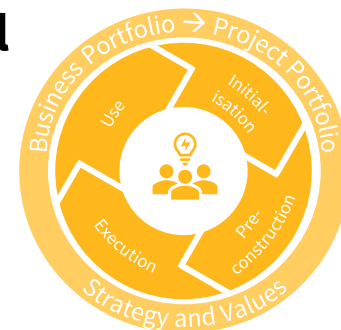
Specialties

1 Integrated model

Joint service offering along value chain

4 strategic priorities

- Portfolio
- Profitable Growth
- Innovation
- Talent and Organisation



7,639

Total workforce
FY 2022

Culture based on
5 values



Sustainability



Collaboration



Excellence



Integrity



Agility



Implenia



**2019-2022
TRANSFORMATION
SUCCESSFULLY
COMPLETED**

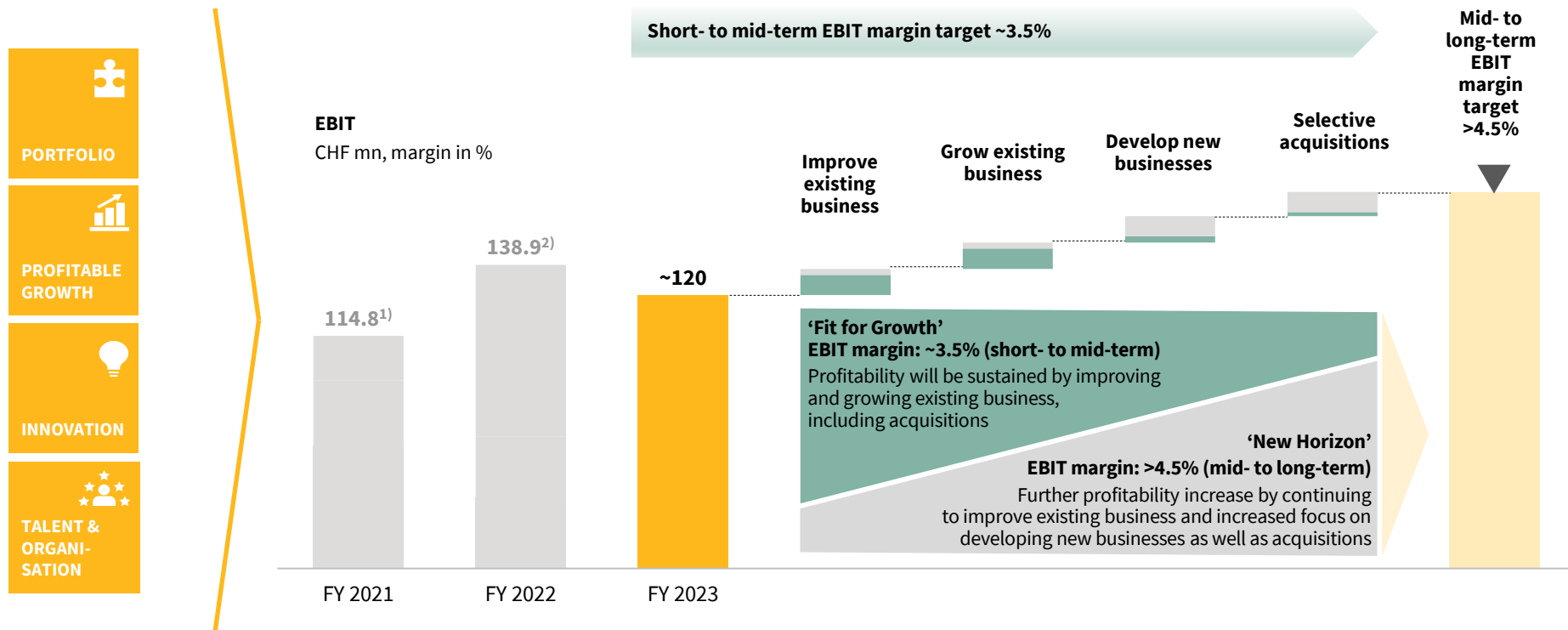


**SHORT TO MID TERM
'FIT FOR GROWTH'**
CURRENT FOCUS:
FURTHER STRENGTHEN
OUR COMPETITIVE
POSITION



**MID TO LONG TERM
'NEW HORIZON'**
AN INTEGRATED LEADING
MULTINATIONAL
CONSTRUCTION
AND REAL ESTATE
SERVICE PROVIDER

IMPLENIA IS TARGETING SUSTAINABLE AND PROFITABLE GROWTH



1) Incl. one-time effects of CHF 38.3mn; EBIT excl. one-time effects: CHF 76.5mn

2) no material one-time effects from transformation; above-average earnings from sale of large development projects

MEGATRENDS CONTINUE TO OFFER ATTRACTIVE OPPORTUNITIES



Global **population** is estimated to rise from 8 billion in 2022 to over **10 billion people by 2059¹⁾**

- Increasing demand for **living space**
- Sustainable use of **resources**



- Specialisation for **living, working and mobility needs**
- Long **track record** for **sustainable** solutions in project execution
- **Customer-centric project development**



81.2%²⁾ of the population in Western Europe will live in **urban areas by 2025**

- **Densification** in urban areas
- **Smart** cities
- **Sharing** economy



- Positioned for large, complex real estate and infrastructure projects in **dense, urban environment** at **high customer requirements**
- Attractive and strategically well positioned **Real Estate portfolio in urban areas**



EUR 10.7 trillion need to be invested in mobility and **infrastructure** in Europe **by 2040³⁾**

- **Modernisation** of infrastructure
- Further **expansion** and **networks**
- Energy scarcity and **alternative resources**



- Targeted existing **offering** for large and **complex infrastructure**
- At forefront to **incorporate new demand** of public customers for complex mobility infrastructure and underground spaces

STRENGTHEN INTEGRATED MODEL WITH NEW COMPETENCIES ALONG VALUE CHAIN AIMING TO INCREASE MARGINS

Sector-oriented specialisation



Differentiation

- **Specialisation:** Create **USPs** in existing business models with **specialised**¹⁾, sector-oriented service offering to strengthen competitive market position

Backward integration

Consulting / planning /
engineering / design
capabilities

Forward integration

Asset & portfolio
management /
maintenance capabilities



Integrate additional potential

- **Backward integration:** Benefit from early-stage client interactions, e.g. generate leads through early involvement and project optimisation
- **Forward integration:** Benefit from ‘use data’, reuse and recycling potentials, recurring fees through operations

■ Project value chain

■ Focus of business portfolio development

SUSTAINABILITY AND INNOVATION FOR OUR CUSTOMERS

Increasing customer demand

- **Preferred partner** for the implementation of demanding, **customer-driven, sustainable developments**
- **Transparent** ESG reporting to authorities
- **Holistic view** and high optimisation potential through integrated model with own Real Estate portfolio including asset management
- Ambitious **decarbonisation strategy** in own Real Estate portfolio
- **12 sustainability goals until 2025**

Green Village, Geneva



Sustainable site development by Division Real Estate in the heart of Geneva's international quarter, with seven buildings for offices, homes and hotels, **realised by Division Buildings**

Implenia leading in ESG ratings¹⁾



1) Sustainalytics and Ecovadis for assessment period 2021; MSCI ESG rating of AAA as of December 2022



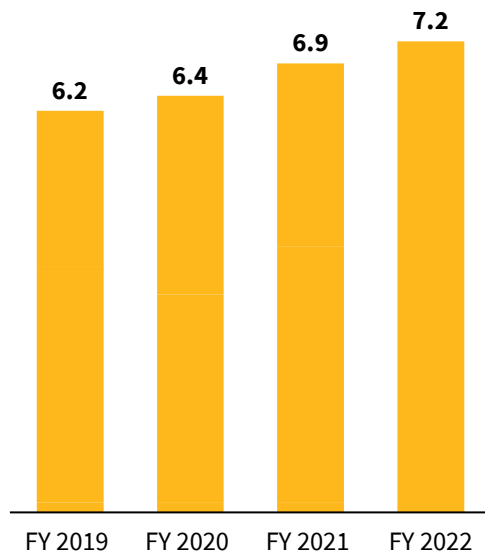
Implenia

**FINANCIAL
DEVELOPMENT**

BALANCED COMPOSITION OF THE ORDER BOOK AND DIVERSIFIED CUSTOMER SPLIT STRENGTHEN RESILIENCE

Order book

CHF bn



- **Divisional distribution** with Division Buildings slightly below 50% and Civil Engineering orders slightly above 50%; Specialties stable at 2%; Civil Engineering with longest lead times
- **Customer split** indicates that almost **2/3 of the Group's order book come from public-sector customers**
- **Civil Engineering:** vast **majority of public-sector customers** (around 90%)
- **Buildings:** order book shows an **almost even split** between private and public-sector clients; of the private-sector clients, a considerable number are large private institutions
- **Complex, longstanding** projects mainly for **public-sector customers** with **reliable financial standing**
- **Diversified** customer split **strengthens resilience** to economic fluctuations and debt defaults

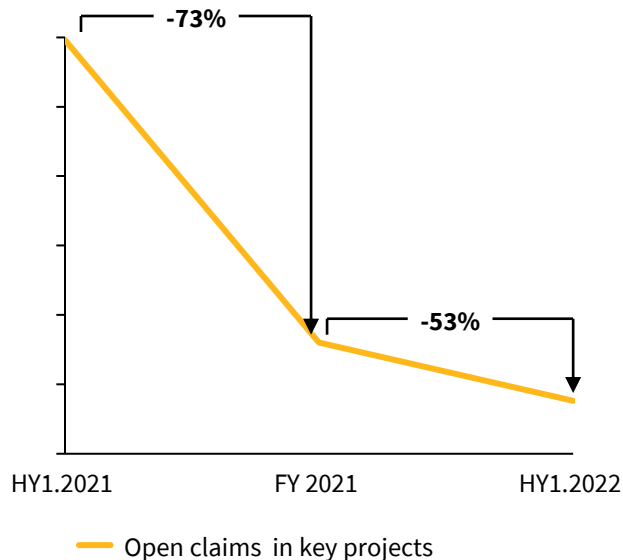
SIGNIFICANT PROGRESS MADE REGARDING PROJECT REVIEW AND APPROVAL OF REFLECTED CLAIMS

Value Assurance: Quarterly in-depth review process of all major projects

Result Delivery Assessment (RDA)

- **Structured process** to closely monitor project performance
- **Early warning KPIs** and **analysis of gross margin development** allow for prompt mitigation actions
- **RDA-relevant KPIs under review:**
 - Percentage of cash-in vs. revenue
 - Percentage of completion vs. time analysis
 - Revenue / claim capitalisation assessment

RDA process led to significant reduction of open claims in key projects



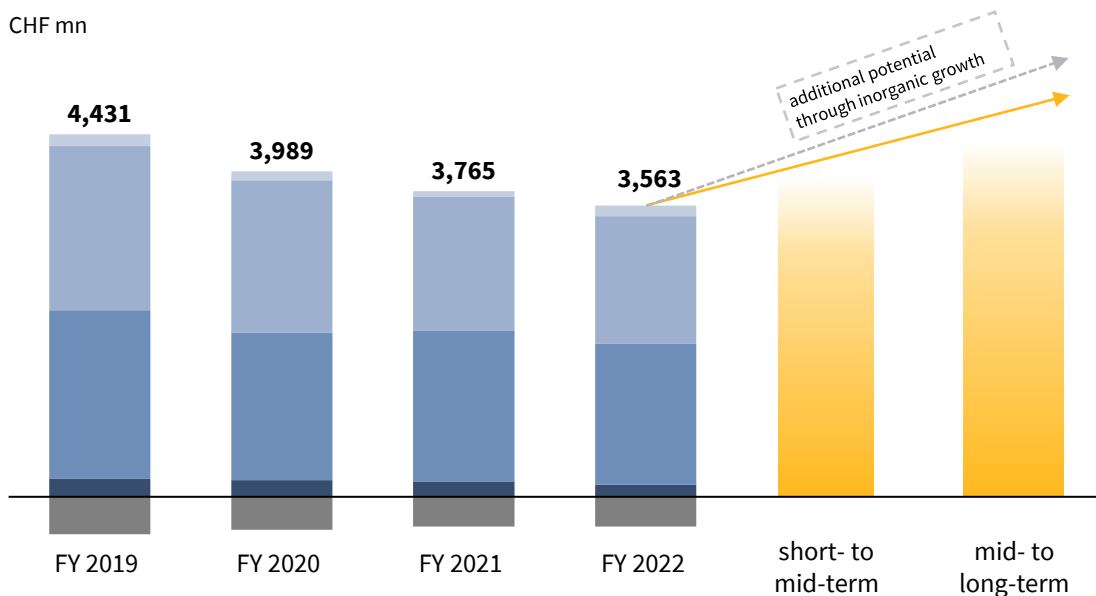
Achievements

- **Process proven successful**, no major surprises since full implementation of Value Assurance
- **Significant progress** made regarding **review** and **approval** of reflected **claims** according to **internal governance**
- Increased **transparency**
- **Joint assessments of claims** by Operations, Legal and Finance

REVENUE DEVELOPMENT OF THE GROUP REFLECTS EXECUTION OF STRATEGY IN THE PAST YEARS

Revenues

CHF mn



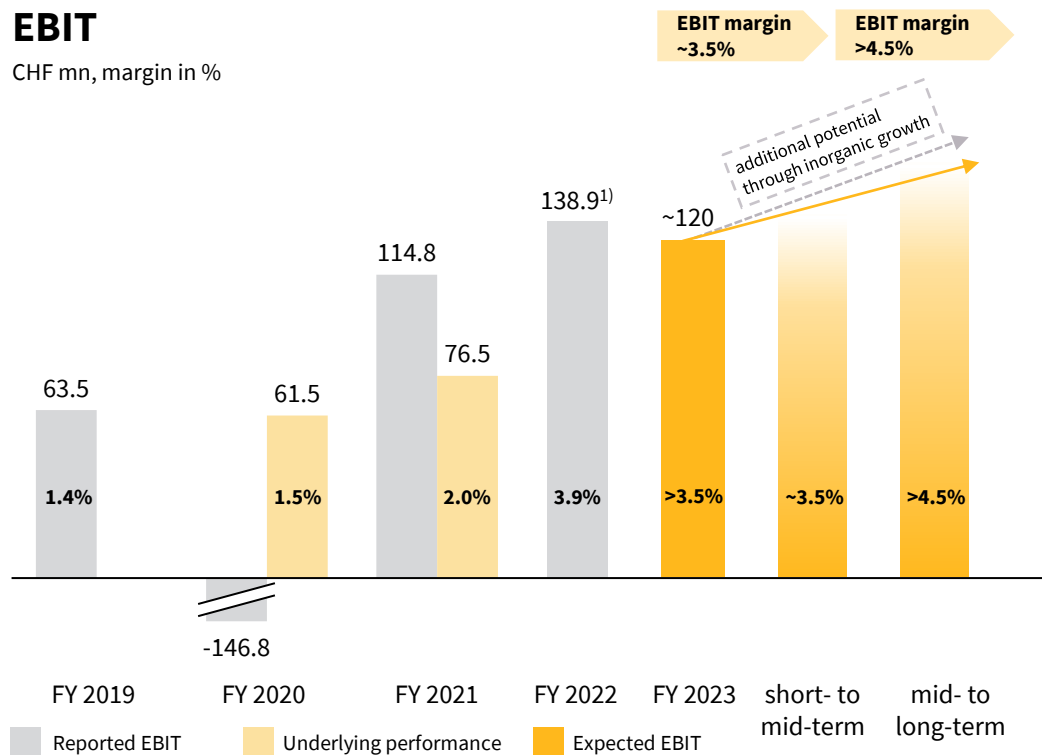
- **Strategic decision of selective project tendering and FX impact**, leading to an **expected revenue decline** until FY 2022
- **Integrated model proving effective**: increase of intercompany revenue visible
- **Short- to mid-term**, Implenla aims to **stabilise and increase revenue** mainly by organic growth
- **Mid- to long-term**, Implenla aims to **further increase revenue** by organic and inorganic growth

Real Estate Buildings Civil Engineering Specialties Intercompany revenue / Corporate & Other Expected Group revenue

EBIT SUSTAINABLY IMPROVED BY STRONG PERFORMANCE OF DIVISIONS

EBIT

CHF mn, margin in %



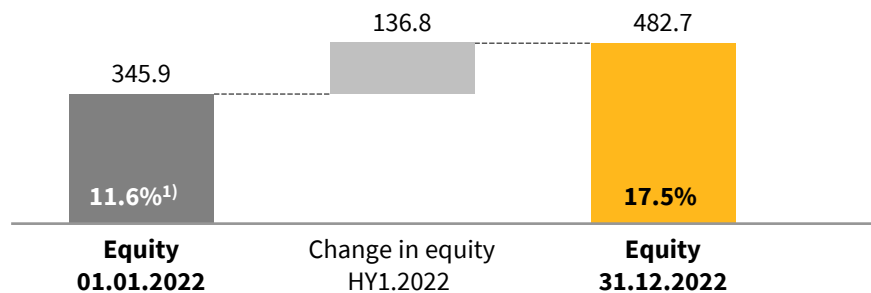
- Future group EBIT driven by **improved performance of large Divisions** – **short- to mid-term EBIT margin target: ~3.5% p.a.**
- **Specialisation**, backward/ forward integration and **operational excellence** in the divisions **sustainably improve performance** towards a **mid- to long-term EBIT margin target of >4.5%**
- Consistently executed **Value Assurance** process **contributes significantly** to the **profitability of projects** and **secures EBIT improvements** of the group

1) no material one-time effects from transformation; above-average earnings from sale of large development projects

SUBSTANTIALLY STRENGTHENED EQUITY IN 2022 – FURTHER FUTURE INCREASE DUE TO IMPROVED NET PROFIT

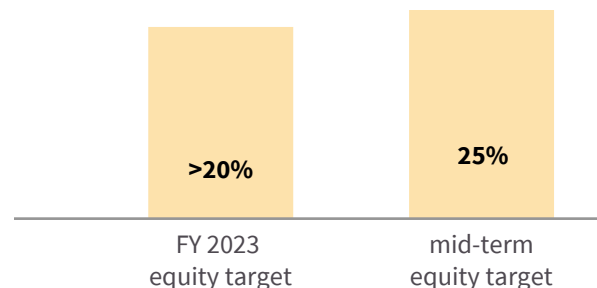
Change in equity in FY 2022 (shortened)

CHF mn, equity ratio in %



- **Increased equity ratio to 17.5%** due to significantly improved equity and progress in reducing total assets
- **Fair value valuation under IFRS** with positive effect, due to the revaluation of the asset class yards ("Werkhöfe")
- **Difference between book and market value from Real Estate portfolio²⁾** would lead to an equity ratio clearly >20%

Planned future equity development

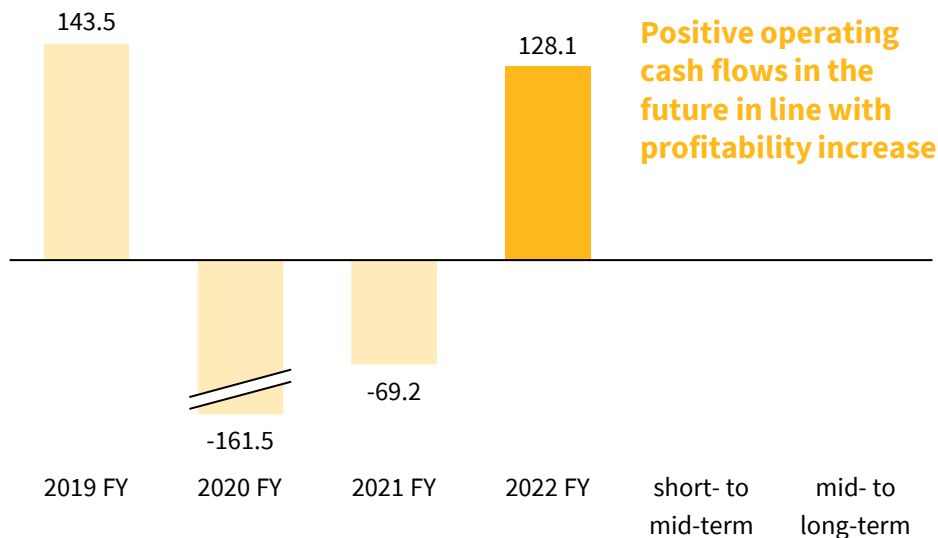


- **Mid-term ambition** for an equity ratio >20% expected to be achieved by 2023, as a result of **strong underlying business** and expected **earnings from Ina Invest**
- New **mid-term target** to enhance equity ratio to **25%**

SIGNIFICANT POSITIVE DEVELOPMENT OF OPERATING CASH FLOW, FURTHER FUTURE IMPROVEMENTS EXPECTED







Operating cash flow

CHF mn








- **Significant increase in operating cash flow** in 2022 – in line with **stronger profitability**, **improved cash conversion cycle** and **optimisation of net working capital management**
- **Sustained positive operating cash flow** foreseen for the future
- Implenla will **continue to invest** in its own **attractive Real Estate portfolio**
- **Capex** estimate of **CHF 35-45 million p.a.** in **coming years**
- **Target to achieve positive operating cash flows** and **positive Free Cash Flow** in the **future**

DIVISIONAL SHORT- TO MID-TERM EXPECTATIONS

	Civil Engineering 	Specialties 	Buildings 	Real Estate 
 REVENUE	Moderate organic revenue growth	Promising organic growth potential	Moderate organic revenue growth	Revenue growth from service business; contribution from Real Estate development depending on realisation of projects
 EBIT	Substantial EBIT and EBIT margin improvements	Elevated EBIT and EBIT margins	Substantial EBIT and EBIT margin improvements	CHF >40 million p.a.; share of recurring income >50%

GROUP FINANCIAL TARGETS


		SHORT- TO MID-TERM TARGET	MID- TO LONG-TERM TARGET
	REVENUE	Stabilising to increasing revenue (mainly organic growth)	Further increasing revenue (organic/inorganic growth)
	EBIT MARGIN	~3.5%	>4.5%
	EQUITY RATIO	>20% (expected by 2023)	25% (mid-term)
	DIVIDEND PAYOUT	BoD will propose dividend of CHF 0.40 per share on 28 March 2023	BoD anticipates continued dividend distribution in the future
	FCF & NET CASH	Positive Free Cash Flow generation and return to net cash position	

Key takeaways

Implenia 'Fit for Growth'



- **Strong position after comprehensive transformation, key processes ensure better risk profile**
- **Megatrends and high demand for integrated real estate and construction services offer attractive opportunities**
- **Market-leading, focused competencies for our customers in all four Divisions**
- **Increased earnings potential with higher margin businesses along the value chain**
- **Implenia culture and leadership attracting the right people in the right roles**

A photograph of two construction workers, a man and a woman, standing on a metal scaffolding. They are both wearing white hard hats and high-visibility orange safety vests with reflective white stripes. The man is on the left, looking towards the right. The woman is on the right, pointing upwards with her right hand. The background shows a modern building with a grid-like facade. A semi-transparent white box on the left contains the text 'IMPLENIA IS EXCELLENTLY POSITIONED FOR SUSTAINABLE SUCCESS'. A solid orange square is positioned in front of the man's lower body.

**IMPLENIA IS
EXCELLENTLY
POSITIONED
FOR SUSTAINABLE
SUCCESS**



QUESTIONS AND ANSWERS



DATES AND CONTACTS

Dates

2023 Annual General Meeting	28.03.2023
2023 Half-year results	16.08.2023

Contacts

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Implenia

THANK YOU!

**Baader Suisse Equities
Conference**



Implenia

APPENDIX

SIGNIFICANTLY IMPROVED NET RESULT

Income statement (shortened)

CHF mn

	FY 2022	FY 2021
Revenue	3,563.3	3,764.7
EBIT	138.9	114.8
<i>EBIT margin</i>	3.9%	3.1%
Financial result	-15.7	-24.3
EBT	123.2	90.5
Taxes	-17.2	-26.5
Net result	106.0	64.0

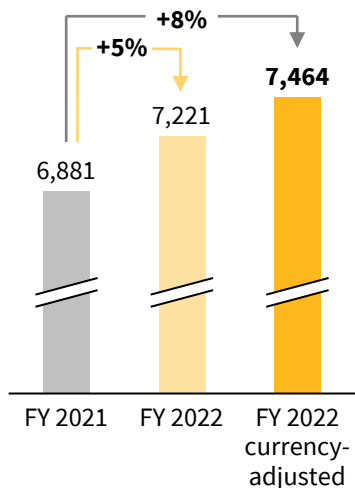
Differences due to rounding

- **EBIT** in FY 2022 **significantly above prior year** due to improved profitability of all Divisions and above-average contribution of Division Real Estate
- **Group EBIT margin** in FY 2022 **increased to 3.9%**
- **Financial result improved** due to reduced financing needs
- **Lower tax rate** due to capitalisation of tax loss carry-forwards and EBIT mix
- **Significantly improved net profit of CHF 106.0 million**

FOREIGN CURRENCY EFFECTS WITH NEGATIVE IMPACT ON ORDER BOOK, REVENUE AND EBIT

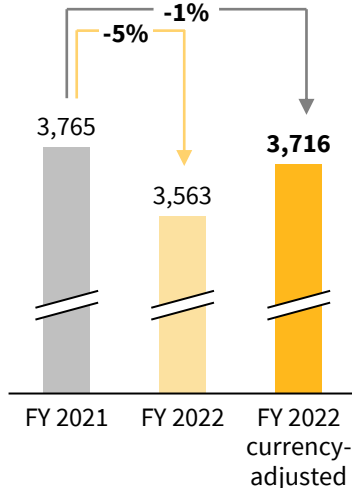
Order book

CHF mn



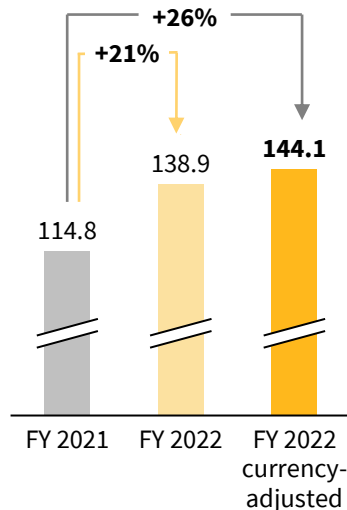
Revenue

CHF mn



EBIT

CHF mn



Differences due to rounding

- Foreign currencies with negative translation effect, mainly from EUR/CHF
- Currency-adjusted order book increased by 8%** compared to previous year
- Currency-adjusted revenue at previous year's level**
- Currency-adjusted EBIT of CHF 144.1 million; currency-adjusted increase by 26%** compared to previous year
- Only minor transaction effects due to natural hedging in local entities

REDUCTION IN TOTAL ASSETS DUE TO CONSISTENTLY PURSUED ASSET LIGHT STRATEGY

Assets (shortened)

CHF mn

	31.12.2022	31.12.2021
Cash & cash equivalents	608.8	621.9
Real estate transactions	141.0	149.3
Other current assets	1,084.8	1,311.5
Total current assets	1,834.6	2,082.7
Goodwill	229.5	238.6
Rights of use from leases	156.7	148.9
PP&E with revaluation model ¹⁾	75.7	23.8
Other non-current assets	457.0	493.8
Total non-current assets	918.8	905.1
Total assets	2,753.4	2,987.8

1) Valuation as per 30 June 2022 by the external, independent expert Fahlränder Partner Ltd.; changes in HY2.2022 due to depreciation

- **Cash and cash equivalents** at previous year's level
- **Real estate transactions** (Real Estate portfolio) slightly below previous year; acquisitions after balance sheet date
- **Progress in reducing net working capital** compared to prior year
- Goodwill in FY2022 mainly impacted by currency effects
- **Revaluation of yards¹⁾** according to IFRS (PP&E with revaluation model increased by CHF 56.3 million)
- **Asset light strategy** consistently pursued

STRONG INCREASE IN EQUITY RATIO TO 17.5% DUE TO IMPROVED PROFITABILITY AND REDUCED TOTAL ASSETS

Equity and Liabilities (shortened)

CHF mn

	31.12.2022	31.12.2021
Trade payables	625.7	679.4
Other current liabilities	974.3	1,209.7
Total current liabilities	1,600.0	1,889.1
Long-term financial liabilities	581.8	651.9
Other non-current liabilities	88.9	100.9
Total non-current liabilities	670.7	752.8
Total equity	482.7	345.9
Total equity and liabilities	2,753.4	2,987.8
Equity ratio	17.5%	11.6%¹⁾

1) Equity ratio excluding temporary impact of CHF 175mn bond proceeds bond proceeds from November 2021: 12.3%

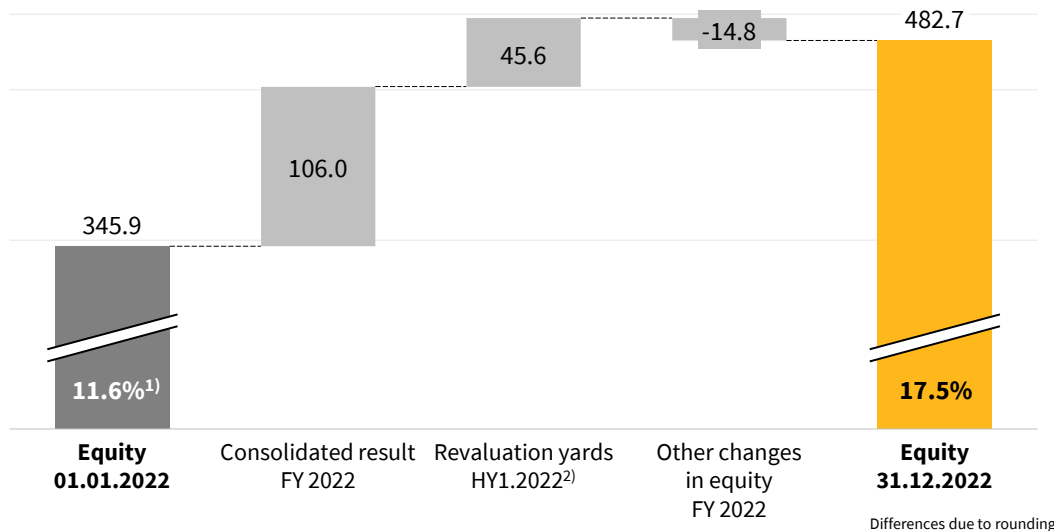
Differences due to rounding

- **Trade payables** reduced in FY 2022
- Lower current liabilities due to repayment of convertible bond as of 30 June 2022
- **Decrease in non-current financial liabilities** compared to prior-year period
- **Equity increased to CHF 482.7 million** – improvement of 40% in FY 2022
- **Equity ratio increased to 17.5%**

SUBSTANTIALLY STRENGTHENED EQUITY OF CHF 482.7 MILLION DUE TO IMPROVED NET PROFIT

Change in equity (shortened)

CHF mn



- **Equity strengthened by CHF 136.8 million;** 2022 target of at least CHF 80 million exceeded
- **Fair value valuation under IFRS** in HY1.2022 with positive effect, due to the revaluation of the asset class yards ("Werkhöfe")
- **Increased equity ratio of 17.5%** due to significantly improved equity and progress in reducing total assets
- **Difference between book and market value from Real Estate portfolio³⁾** would lead to an equity ratio clearly >20%
- Improvements in operating business become evident in balance sheet structure; on track towards **sustainable equity ratio >20%**

1) Equity ratio excluding temporary impact of CHF 175 million bond proceeds from issuance in November 2021: 12.3%

2) Gross increase in property, plant & equipment with revaluation model of CHF 56.3mn, effect in equity after deferred tax liabilities of CHF 10.7mn

3) Difference between book and market value of Real Estate portfolio: CHF 210mn

SIGNIFICANT IMPROVEMENT OF FREE CASH FLOW TO CHF 124.0 MILLION

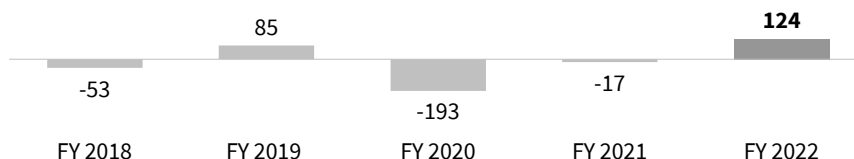
Consolidated Cash Flow Statement

CHF mn

	FY 2022	FY 2021
Free cash flow¹⁾	124.0	-17.5
Cash & cash equivalents at the beginning of the period	621.9	720.0
Cash flow from operating activities	128.1	-69.2
Cash flow from investing activities	170.9	-123.2
Cash flow from financing activities	-294.3	107.4
FX differences in cash & cash equivalents	-17.8	-13.0
Cash & cash equivalents at the end of the period	608.8	621.9

Development free cash flow

CHF mn



- **Free cash flow at high level of CHF 124.0 million;** improvements in operating business and successful management of net working capital
- **Significantly improved operating cash flow** compared to prior year period
- **Cash flow from investing and financing activities** impacted by repayment of convertible bond as per 30 June 2022
- **Net cash position²⁾ improved to CHF 120.3 million** per 31.12.2022
- **Continued positive development of free cash flow** expected

1) excl. impact of fixed short-term deposit prior to repayment of convertible bond

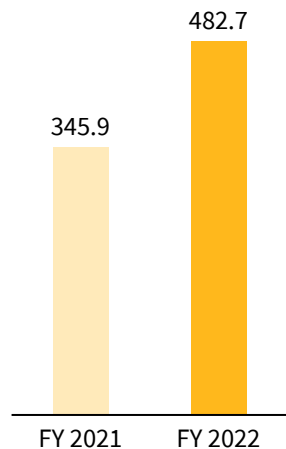
2) excl. lease liabilities

BOARD OF DIRECTORS WILL PROPOSE A DIVIDEND OF CHF 0.40 PER SHARE TO ANNUAL GENERAL MEETING

482.7 (+40%)

Total Equity

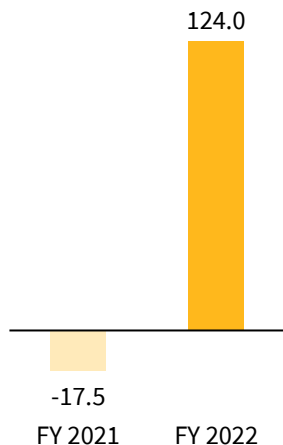
CHF mn



124.0 (n/a)

Free cash flow

CHF mn



- Implenia to cautiously resume dividend distributions
- Implenia wants its shareholders to participate in the company's success following the completion of its transformation
- **Board of Directors will propose a dividend of CHF 0.40 per share to the AGM on 28 March 2023**
- Board of Directors anticipates that Implenia will be able to continue distributing dividends in the future

IMPLENIA AIMS FOR EBIT OF CHF ~120 MILLION AND A FURTHER INCREASE IN THE EQUITY RATIO TO >20%

Profitability target 2023

Expected EBIT CHF ~120 million

Strong operating business at all Divisions; lower EBIT contribution of Real Estate, especially in the first half year

Short to mid term EBIT margin target

~3.5% EBIT margin

Mid to long term EBIT margin target

>4.5% EBIT margin

Expected equity ratio 2023




>20%

Expected mid-term equity ratio

25%

FORECASTS FOR EUROPEAN CONSTRUCTION OUTPUT REMAIN STABLE, UNCERTAINTIES AND INFLATION IN CHALLENGING MARKET ENVIRONMENT

Construction output in relevant markets with constant volume, slower growth

	Buildings		Civil Engineering	
	EUR bn	CAGR ¹⁾ 2022-2025	EUR bn	CAGR ¹⁾ 2022-2025
 Europa (EC-15) ³⁾	1,417	-0.1%	381	+2.3%
 Switzerland	49	+1.2%	15	+0.6%
 Germany	345	-0.1%	75	+0.6%

- **Steady but weakened economic growth** in Europe
- **Inflation, rising interest rates, energy crisis and general uncertainty** are dampening general construction activity
- **Government incentives and subsidies with positive effect**
- Annual forecast **growth rate of 0.4%²⁾** until 2025 for the **entire construction industry**

Challenges of the market environment are mitigated best possible and closely monitored

- Strategically well-positioned **project portfolio – in urban areas and with public infrastructure projects – is more robust** in a volatile economic market environment
- **Active management of central procurement**, together with the **operational units** and **back-to-back contract clauses**, has mitigated major impacts of supply chain uncertainties (availability and price)
- **Further developments will continue to be closely monitored**

BUILDING ON CURRENT FINANCIAL PERFORMANCE, SUSTAINABLE IMPROVEMENTS EXPECTED DURING 'FIT FOR GROWTH' PHASE



ORDER BOOK

- **Record-high order book** of CHF 7.2 billion¹⁾ with significantly **improved risk and margin profile**
- **Order book well diversified** by Divisions and customers



REVENUE

- **Revenue growth:** stabilising to increasing revenue, mainly by organic growth (short- to mid-term) and further increasing revenue by organic and inorganic growth (mid- to long-term)



EBIT

- **Improved EBIT margin** following successful transformation
- **EBIT guidance** FY 2023 of CHF ~120 million **confirmed**
- **EBIT margin target:** ~3.5% (short- to mid-term) and >4.5% (mid- to long-term)



EQUITY

- **Strengthened equity ratio** of 17.5%¹⁾ – further increase in the future due to improved net profit and asset light
- **Difference between book and market value** from Real Estate portfolio²⁾ would lead to an **equity ratio clearly >20%**
- **Equity ratio target:** >20% (expected by 2023) and 25% (mid-term)



FINANCING

- **Continued positive cash flow** generation driven by profitable operating business
- **NWC management improvements** to ensure future positive cash flows
- **Well balanced maturity profile** of financing instruments

FOUR DIVISIONS WITH MARKET-LEADING COMPETENCIES FOR OUR CLIENTS



REAL ESTATE

Value-oriented Real Estate partner for customised projects, unique investment opportunities, comprehensive services and scalable products

- Development
- Investment
- Management
- Products



BUILDINGS

End-to-end construction services provider for all types of new buildings and refurbishments in Switzerland and Germany

- Consulting & Planning
- New Buildings
- Modernisation
- Master Builder



CIVIL ENGINEERING

Expert for complex Civil Engineering projects in Switzerland and Germany as well as Tunnelling and related infrastructure in further markets

- Tunnelling
- Civil¹⁾
- Special Foundations



SPECIALTIES















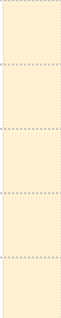
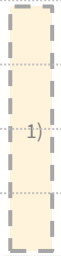

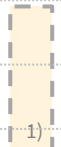

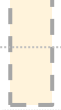

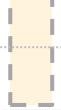


Special competencies with expertise in sustainable planning, construction and maintenance of buildings and infrastructure

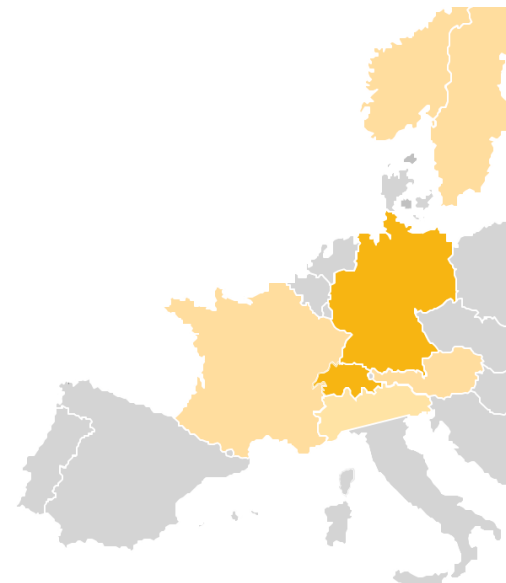
- Building Construction Logistics
- Building Technology Planning
- Timber Construction
- Post-Tensioning and Geotechnology
- Facade Technology
- Others

APPENDIX

INTEGRATED OFFERING IN SWITZERLAND & GERMANY, TUNNELLING AND RELATED INFRASTRUCTURE IN FURTHER MARKETS



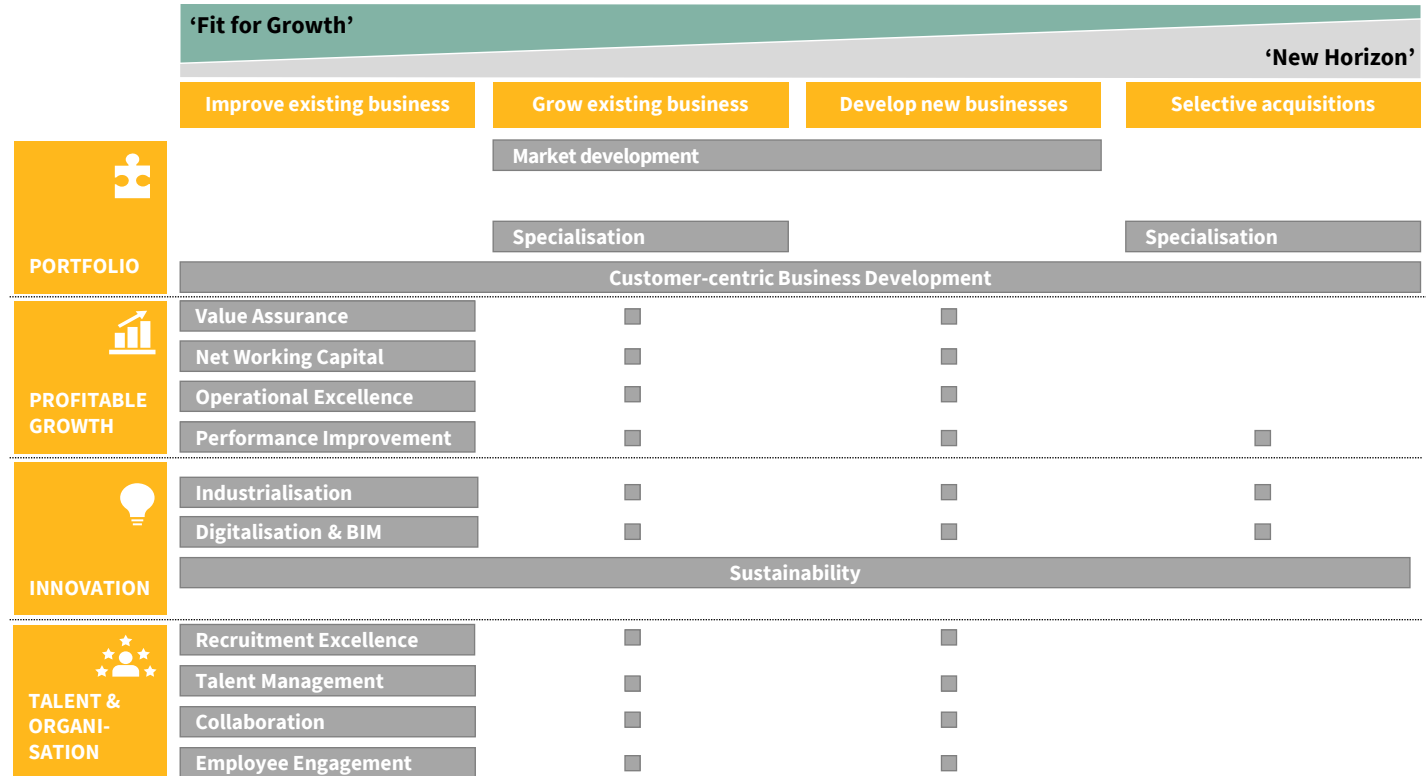
Group	Real Estate	Buildings	Civil Engineering			Specialties	Rev. Split by country	Top competitors
			Tunnelling	Civil	Special Foundations			
 SWITZERLAND								Marti, HRS, Frutiger, Anliker, Walo
 GERMANY								Hochtief, Strabag, Züblin, Goldbeck, Zech
 AUSTRIA								
 SWEDEN								
 NORWAY								European Tunnelling Vinci, Bouygues, Eiffage, Skanska, Strabag
 FRANCE								
OTHER								



 **Integrated offering** of all Divisions in Switzerland & Germany

 **Tunnelling and related infrastructure** in further markets

IMPLENIA'S 4 STRATEGIC PRIORITIES ENABLE MID- TO LONG-TERM GROWTH



Integrated leading multinational construction and real estate service provider with an EBIT-margin >4.5%

WE TARGET SUCCESSFUL SMALL ACQUISITIONS IN THE SHORT TO MID TERM, INCREMENTALLY LARGER DEAL SIZE AT A LATER STAGE POSSIBLE

Acquisition criteria



Complementary footprint in Switzerland & Germany, focus on large and complex projects in urban areas



Profitable growth in higher-margin business models, vertical integration and in specialised competencies



Flexible and asset-light businesses orchestrating networks of efficient partners and sub-contractors



Expanded technological/planning competencies in managing large-scale and complex projects



Future-proof portfolio of innovative business models with new technologies and attractive niche businesses

Selected acquisitions accelerating value chain integration and profitable growth in existing businesses

VALUE ASSURANCE – ONGOING RISK AND PERFORMANCE MANAGEMENT LEADS TO RELIABLE AND IMPROVED PROJECT MARGINS

